



State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES
29 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-1370 FAX (603) 271-1381



Healthco International, LLC
RFD 1
Dixville, NH 03576

ADMINISTRATIVE ORDER
BY CONSENT
No. ARD 03-001

A. INTRODUCTION

This Administrative Order by Consent is issued by the Department of Environmental Services, Air Resources Division to, and with the consent of, Healthco International, LLC, pursuant to RSA 125-C. This Administrative Order by Consent is effective upon signature by both parties.

B. PARTIES

1. The Department of Environmental Services, Air Resources Division ("DES"), is a duly constituted administrative agency of the State of New Hampshire, having its principal office at 29 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095.
2. Healthco International, LLC ("Healthco") is a New Hampshire limited liability company having a mailing address of RFD 1, Dixville, NH 03576.

C. STATEMENTS OF FACTS AND LAW

1. RSA 125-C authorizes the DES to regulate sources of air pollution. RSA 125-C:4 authorizes the Commissioner of DES to adopt rules relative to the prevention, control, abatement, and limitation of air pollution in New Hampshire. Pursuant to this authority, the Commissioner has adopted NH Admin. Rules Env-A 100 *et seq.*
2. RSA 125-I authorizes DES to regulate releases of toxic chemicals into the ambient air. RSA 125-I:6 authorizes the Commissioner of DES to adopt rules relative to the establishment of ambient air limits for each regulated toxic air pollutant and methodologies for determining whether an emission of regulated toxic air pollutant will exceed the applicable ambient air limit at the source's compliance boundary. Pursuant to this authority, the Commissioner has adopted Env-A 1400.
3. DES published the first list of regulated toxic air pollutants, their classification, and ambient air limits ("AALs") in the *Rulemaking Register* on May 8, 1998.
4. Env-A 101.227(b) defines a Regulated Toxic Air Pollutant ("RTAP") as any substance or compound which has been added to the list of regulated toxic air pollutants pursuant to RSA 125-I:4, V and Env-A 1400.
5. Env-A 1400 applies to the owner of any new, modified, or existing stationary source, area source or device that emits a regulated air pollutant into the ambient air.
6. Ammonia is listed in Table 1450-I of Env-A 1400 as a regulated toxic air pollutant, having Chemical Abstract Service ("CAS") Number 7664-41-7.

7. Tillotson Healthcare Corporation ("Tillotson Healthcare") is a registered New Hampshire corporation having a mailing address of 360 Route 101, Bedford, NH 03110, which filed for Chapter 11 with the U.S. Bankruptcy Court for the District of New Hampshire on May 17, 2002.
8. Tillotson Rubber Corporation, Inc. ("Tillotson Rubber") is a registered New Hampshire corporation having a mailing address of 59 Waters Ave., Everett, MA 02149.
9. DES issued a Title V Operating Permit TV-OP-026 ("the Permit") to Tillotson Healthcare on May 25, 2000.
10. On July 25, 2003, DES administratively amended and issued TV-OP-026-AMENDED ("the Amended Permit") to Tillotson Rubber with an expiration date of May 25, 2005.
11. On August 27, 2003, Healthco hand-delivered an application to operate a manufacturing operation located in Dixville Notch, NH ("the manufacturing operation"), previously operated by Tillotson Healthcare and currently subject to and regulated by the Amended Permit held by Tillotson Rubber.
12. The Manufacturing Operation listed in Paragraph 11 above emits ammonia into the ambient air and is therefore subject to Env-A 1400.
13. Env-A 1406.01 requires the owner of all existing devices or processes that emit a regulated toxic air pollutant into the ambient air to demonstrate compliance with the ambient air limits set forth in Env-A 1400.
14. The Amended Permit contains the following conditions to ensure compliance with Env-A 1400 and other regulations applicable to the Manufacturing Operation:

a. Condition III.A. Significant Activities:

Table 1 – Significant Activity Identification			
Emission Unit Number	Description of Emission Unit	Exhaust Stack Identification	Emissions Unit Maximum Design Capacity
EU7	First Floor Conveyors	Stack #6 ²	Facility wide emission limit of 11.98 tons per consecutive 12-month period of ammonia based on modeling performed by DES on March 10, 2000 to demonstrate compliance with the state-only requirement Env-A 1400 pertaining to ambient air impacts of regulated toxic air pollutants (RTAPS).
EU8	Second Floor Compound Room ³	Stack #7 ⁴	
EU9	Glove Form Ovens-First and Second Floors	Stack #8 ⁵	

b. Condition III.B. Stack Criteria:

The stacks indicated in Table – 2 Stack Criteria for the significant devices indicated in Table 1 shall discharge vertically without obstruction (including rain caps) and meet the following criteria in accordance with the state-only modeling requirements specified in Env-A 1300 and Env-A 1400.

Table 2 – Stack Criteria				
Stack #	Emission Unit	Minimum Stack Height (feet) Above Ground Level	Minimum Stack Flow Rate (ACFM)	Maximum Stack Diameter or Dimensions (feet)
Stack #6 ²	EU7 ¹	Height vary-reference Drawing No Roof 1, dated 11/29/95	Flow Rates Vary- reference Drawing No Roof 1, dated 11/29/95	Diameters vary-reference Drawing No Roof 1, dated 11/29/95
Stack #7 ⁴	Eu8 ³	Heights vary-reference Drawing No Roof 1, dated 11/29/95	Flow Rates Vary- reference Drawing No Roof 1, dated 11/29/95	Diameters vary-reference Drawing No Roof 1, Dated 11/29/95
Stack 8 ⁵	EU9	27.0	1,500	3.0

- c. **Condition VIII.A. State-only Enforceable Operational and Emission Limitations** specifies in Item #10 of Table 4 that “the facility shall be limited to 11.98 tons per consecutive 12-month period and 2.90 pounds per hour of ammonia emissions⁶ in order to comply with the applicable requirements of RSA 125-C:11, Env-A 606.04 and Env-1400. These sections include, but are not limited to, descriptions of the requirements for adherence to permit application procedures, air pollutant dispersion modeling impact analysis, and ambient air limitations or toxic pollutants.
- d. **Condition VIII.E. Recordkeeping Requirements** specifies in Items #8 and #10 of Table 7 the VOC Recordkeeping Requirements to satisfy the requirements of Env-A 900.
- e. **Condition VIII.F Reporting Requirements** specifies in Items #5 and #6 of Table 8 the VOC Reporting Requirements to satisfy the requirements of Env-A 900.

15. The emission limits stipulated in Item #10 of Table 7, Condition VII.A. of the Amended Permit, and noted above, were derived from the current configuration of ammonia emission points at the facility and the air dispersion modeling analysis that was performed by the Division prior to issuing the Title V Operating Permit TV-OP-026 to Tillotson Healthcare on May 25, 2000.

¹Consists of various conveyors as designated in Tillotson HealthCare Drawing No. Roof 1, dated 11/29/95 submitted with the Title V application.

²Stack #6 consists of exhaust points 1, 2, 3, 7, 8, 9, 10, , 12, 13, 18 & 19 as designated in Tillotson HealthCare Drawing No Roof 1, dated 11/29/95, submitted with the Title V application.

³Consists of various tanks and processes in the second floor compound room as designated in Tillotson HealthCare drawing No Roof 1, dated 11/29/95 submitted with the Title V application.

⁴Stack #7 consists of exhaust points 6, 14, 17 & 36 as designated in Tillotson HealthCare Drawing No Roof 1, dated 11/29/95 submitted with the Title V application.

⁵ Stack #8 designated as exhaust point 5 on Tillotson HealthCare Drawing No Roof 1, dated 11/29/95 submitted with the Title V application.

⁶ The facility may make adjustments to parameters that affect the air dispersion modeling analysis conducted by DES on March 10, 2000 in order to demonstrate that an alternative emission limitation can be established which would demonstrate compliance with the 24-hour and annual AALs for ammonia. Any adjustments to parameters which affect the air dispersion modeling analysis conducted by DES on March 10, 2000 and which result in new modeled impacts shall be reported to DES. DES shall then notify the facility writing of any revised emission limitation as a result of such adjustments. Such written notification shall be attached to this Title V Operating Permit as an addendum. The revised emission limit shall be incorporated into this Permit upon re-issuance.

16. The Division received a compliance plan from Tillotson Healthcare dated June 12, 2001 in which it outlined the steps it planned to take to reduce its ammonia emissions and to achieve compliance with the AAL for ammonia as set forth in Env-A 1400:

- a. Tillotson Healthcare proposed manifolding the raw latex storage tanks together and installing a control device to capture the ammonia emissions. Tillotson Healthcare expected the collection and control of ammonia to reduce the annual ammonia emissions by 15,440 pounds (based on calendar year 2000 emissions data);
- b. Tillotson Healthcare proposed installing ammonia metering pumps to control the rate of addition of ammonia to the urethane coating tanks. Tillotson Healthcare expected that installation of the metering pumps could result in the short term reduction of 40 to 60 percent of supplemental ammonia usage (or 14,400 to 21,600 pounds from calendar year 2000 emissions); and

Tillotson Healthcare proposed switching to a new acrylic coating process instead of the urethane coating process in use at that time. The acrylic process required approval by the Federal Food and Drug Administration ("FDA"), which was expected by December 2001. Tillotson-Healthcare expected to switch the acrylic coating process to reduce supplemental ammonia usage by approximately 28,800 pounds per year, or 39 percent of calendar year 2000 emissions, 3 months after receiving FDA approval.

17. The Division received a progress report from Tillotson Healthcare dated August 13, 2001. Tillotson Healthcare reported that ammonia metering pumps had been installed to meter the addition of ammonia to the urethane coating storage tanks. The installation of the pumps had already reduced ammonia usage by an amount equivalent to 13,064 pounds per year, and after further fine tuning of the rate of addition to the urethane tanks, the pumps were expected to yield a total reduction equivalent to 16,853 pounds of ammonia per year. In addition, Tillotson Healthcare reported that the plans to switch from urethane to acrylic coatings were on schedule.

18. The Division received a second progress report from Tillotson Healthcare dated October 1, 2001. Tillotson Healthcare summarized its progress in reducing its ammonia usage by using metering pumps to add ammonia to the urethane storage tanks. The decrease in the rate of addition from 1 liter per hour to 0.2 liters per hour was expected to reduce potential ammonia emissions from 50,000 pounds per year to 10,000 pounds per year. Tillotson Healthcare also reported that it was still on schedule for the development of the new acrylic glove coating process. Lastly, Tillotson Healthcare reported it had researched a variety of ammonia control devices and had received cost information from 3 vendors, ranging from \$25,000 to \$100,000 for capital costs, and from \$6,000 to \$72,000 for annual operation and maintenance costs.

19. The Division received a final progress report from Tillotson Healthcare dated February 15, 2002. Tillotson Healthcare reported that it had received FDA approval of the acrylic glove process and the new process was fully implemented during January 2000, two months ahead of the original goal of March 30, 2002. In addition, Tillotson Healthcare had been able to reduce its supplemental ammonia additions by 88 percent, an amount greater than the 80 percent reported in the previous progress report dated October 1, 2001. Finally, Tillotson Healthcare stated its intent to continue reducing its supplemental ammonia additions, with the ultimate goal of eliminating all supplemental ammonia additions.

20. On April 9, 2003, the Division received an annual Title V compliance certification and an annual emissions report from Tillotson Healthcare. In the compliance certification, Tillotson Healthcare reported that it was in non-compliance with the requirement to limit its ammonia emissions to less than 11.98 tons per consecutive 12-month period.

Tillotson Healthcare also reported that it was in non-compliance with Env-A 1400. In the annual emissions report, Tillotson Healthcare reported that it had emitted 14.99 tons of ammonia during calendar year 2002.

21. Healthco currently operates the Manufacturing Operation located in Dixville Notch, NH. Healthco is operating the Manufacturing Operation without the required permit.

D. DETERMINATION OF VIOLATIONS

1. Healthco, by operating its manufacturing operation without obtaining the necessary permit, is in violation of Env-A 608.01.

E. ORDER

Based upon the above findings and determinations, for failure to comply with RSA 125-I and Env-A 1400, the Division, hereby orders Healthco, and Healthco agrees, to undertake and complete the following actions specified herein:

1. Healthco shall limit ammonia emissions to 11.98 tons per consecutive 12-month period and 2.90 pounds per hour.
2. Healthco shall maintain daily records of all usage and emissions of ammonia from the manufacturing process.
3. Healthco shall maintain the following daily, monthly, and annual records on a continuous basis regarding process operations:
 - a) Daily hours of operation for each process;
 - b) Monthly records of the total quantities of raw materials used in each process;
 - c) Distribution of the process discharges if the process discharges air pollutants through more than one discharge point; and
 - d) Concentrations of pollutants in pounds per hour for each process.
4. Healthco shall record and maintain the following information on a continuous basis:
 - a) Facility information, including:
 1. Source name;
 2. Source identification;
 3. Physical address; and
 4. Mailing address.
 - b) Identification of each VOC emitting device or process.
 - c) The following production, raw material usages and VOC emissions data for each VOC emitting device identified in b) above:
 1. Days of operation per calendar week during the normal operating schedule;
 2. Hours of operation per day during normal operating conditions; and
 3. Hours of operation per year under normal operating conditions.
 - d) Annual theoretical potential emissions, using the VOC content for the calculation year for each VOC-emitting device or process identified in b) above, in tons per year.
 - e) Actual emissions, using the VOC content for the calculation year for each VOC-emitting device or process identified in b) above, in tons per year and a typical day during the high ozone season in pounds per day.
 - f) Applicable emission factors, if used to calculate emissions; and

- g) Process information, including throughput data, shall be recorded for each device or process.
5. Healthco shall maintain records on a quarterly basis of actual annual emissions speciated by individual regulated air pollutants, including a breakdown of VOC emissions by compound.
6. Healthco shall report to the Division annually no later than April 15th of the following calendar year the following information:
- a. Total annual quantities of all VOC emissions for all VOC emitting devices and processes, as well as miscellaneous source; and
 - b. Actual annual emissions speciated by individual regulated air pollutant, including a breakdown of VOC emissions by compound for all VOC emitting devices and processes, as well as miscellaneous sources.
7. Send correspondence, data, reports, and other submissions made in connection with this Administrative Order by Consent to the Division as follows:
- Ray Walters, Senior Enforcement Engineer
Compliance Bureau, DES Air Resources Division
6 Hazen Drive, P.O. Box 95
Concord, NH 03302-0095
Phone: (603) 271-6288
Fax: (603) 271-1381
e-mail: rwalters@des.state.nh.us
8. This Administrative Order by Consent shall remain in full force and effect until such time as DES has issued to Healthco the required permit for the Manufacturing Operation.

F. STIPULATED PENALTIES

Healthco agrees to pay stipulated penalties of Five Hundred Dollars (\$500) per day to the State of New Hampshire, automatically and without demand, for each successive day that Healthco fails to comply with any of the conditions E.1 through E.6 of this Order. If stipulated penalties become due, payment shall be by certified check made payable to "Treasurer, State of New Hampshire" and mailed to DES Legal Unit, 6 Hazen Drive, PO Box 95, Concord, NH 03302-0095, attn: Michael Sclafani, within 15 days of receipt of notice from DES that payment is required.

G. CONSENT AND WAIVER OF APPEAL

1. By execution of this Administrative Order by Consent, Healthco agrees that this Order shall apply to and be binding upon Healthco, its officers, managers, directors, successors and assigns, and agrees that this Order may be entered and enforced by a court of competent jurisdiction.
2. By execution of this Administrative Order by Consent, Healthco waives any right to appeal this Administrative Order by Consent provided by statute, rule, or common law, including without limitation the right to appeal to the Air Resources Council, and waives any right to object to the entry and enforcement of this order by a court of competent jurisdiction.

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3. By execution of this Administrative Order by Consent, Healthco waives any right to a hearing on or appeal of the stipulated penalties specified in Section F of this Order provided by statute, rule, or common law, and waives any right to object to the fine(s) in any collection action initiated by DES resulting from the non-payment of the stipulated penalties by Healthco.
4. The effective date of this Administrative Order by Consent shall be the date on which it is signed by an authorized representative of Healthco, the Director of the Air Resources Division and the Commissioner of DES.
5. By execution of this Administrative Order by Consent, Healthco represents that it has taken significant steps to obtain right, title, or interest in all of the property that comprises the Manufacturing Operation. As evidence of this, within 10 days of execution of this Order, Healthco shall provide to DES a copy of the deed for the property, a copy of the agreement of an option to buy, or a copy of a lease for the property. Failure of Healthco to provide such evidence constitutes a material breach of this Order.
6. No failure by DES to enforce any provision of this Administrative Order by Consent after any breach or default shall be deemed a waiver of its rights with regard to that breach or default, nor shall such failure be construed as a waiver of the right to enforce each and all of the provisions of this agreement on any further breach or default.

Healthco International, LLC

COPY By: Thomas N. Tillotson
Duly Authorized9/4/03
Date

NH Department of Environmental Services

COPY Robert A. Scott
Chief Air Programs Manager
Air Resources Division9/5/03
Date**COPY** 
Michael J. Nadeau, Commissioner9/5/03
Date

cc: M. Harbaugh, DES Legal Unit
Tim Drew, DES PIP Office
Jennifer J. Patterson, Sr. Asst. Attorney General, NHDOJ/EPB
Town of Stewartstown
Town of Colebrook
Source File